



NATIONAL FLOOD INSURANCE ACT Checklist

	Yes	No		Yes	No
<i>Coverage [12 CFR 572.3]</i>			<i>Property Determination [12 CFR 572.6]</i>		
1. Does the institution make (including loans acquired through table funding), increase, extend or renew any loan secured by improved real estate or a mobile home? This checklist does not apply if the answer is no.			1. Are flood zone determinations accurately prepared on the Standard Flood Hazard Determination Form (SFHDF)?		
2. Does the institution identify special flood hazard areas (SFHAs)?			2. Does the institution maintain the SFHDF either in hard copy or electronic form for as long as it owns the loan?		
3. Does the institution determine if the communities in which the property securing the loan is or will be located participates in the National Flood Insurance Program (NFIP)?			3. Does the institution rely on a prior determination only if it is made on the SFHDF, is no more than seven years old and the community has not been remapped?		
<i>Insurance Requirements [12 CFR 572.3]</i>					
1. Does the institution ensure that borrowers obtain, prior to loan closing, insurance in an amount at least equal to the lesser of the outstanding principal balance of the loan or the maximum limit of coverage available under the National Flood Insurance Act?					
2. Does the institution ensure that sufficient insurance is maintained for as long as it owns the loan? If no, refer to the "Forced Placement" subsection.			4. If the institution utilizes a third-party to prepare flood zone determinations, do the contractual documents between the parties:		
3. If the institution purchases servicing rights to loans covered by the regulation, do the documents between the parties specify the contractual obligations on the institution with respect to flood insurance compliance?			a. provide for the third-party's guarantee of work?		
4. If the institution utilizes third parties to service loans covered by the regulation, do the contractual documents between the parties meet the requirements of the regulation?			b. contain provisions to resolve disputes relating to determinations, to allocate responsibility for compliance, and to address which party will be responsible for penalties incurred for non-compliance?		
5. Where multiple properties securing the loan are located in SFHAs, does the institution ensure that sufficient insurance is in place, either through a single policy with a scheduled list of several buildings or multiple policies?			<i>Determination Fees [12 CFR 572.8]</i>		
			1. Absent some other authority (such as contract language), does the institution charge a fee to the borrower for a flood determination only when a loan:		
			a. is made, increased, renewed or extended,		
			b. is made in response to a remapping by FEMA, or		
			c. results in the purchase of flood insurance under the forced placement provisions?		
			2. If the institution is authorized to charge fees for determination in situations other than those noted above, is the practice followed consistently?		
			3. Are the fees charged by the institution for making a flood determination reasonable?		



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<i>Notice Requirements [12 CFR 572.9]</i>			<i>Escrow Requirements [12 CFR 572.5]</i>		
1. Are borrowers provided written notice within a reasonable time prior to loan closing?			1. If the institution requires the escrow of funds for property taxes, hazard insurance or other fees on residential improved real estate, does it also require the escrow of funds to cover premiums associated with flood insurance for loans closed after October 1, 1996?		
2. Does the notice contain the following required information?			2. For loans closed after October 1, 1996 that are subject to RESPA and where flood insurance is required, does the institution comply with the provisions of §10 of RESPA (24 CFR Section 3500.17 of HUD Regulation X) for those escrow accounts?		
a. a warning that the building or mobile home is, or will be, located in a SFHA;			<i>Forced Placement Requirements [12 CFR 572.7]</i>		
b. a description of the flood insurance requirements;					
c. a statement that flood insurance is available under the NFIP and may also be available from private insurers; and					
d. a statement whether Federal disaster relief assistance may be available in the event of damage to a building or mobile home caused by flooding in a Federally-declared disaster.					
3. In the case of a sale or lease, if the institution uses the alternate notice provision permitted by the regulation, does the institution obtain satisfactory written assurance from the seller or lessor that, within a reasonable time before completion of the transaction, the seller or lessor has provided the notice?			1. If at any time during the life of the loan, the institution determines that property securing the loan lacks adequate flood insurance coverage:		
4. Does the institution provide a copy of the borrower notification to the servicer of the loan within the required time frames?			a. Does the institution provide written notice to the borrower stating that the necessary coverage must be obtained within 45 days after the notice or the institution will purchase it on the borrower's behalf?		
5. Does the institution retain a record of receipt of the notifications provided to the borrower and the servicer for as long as it owns the loan?			b. Does the institution purchase the coverage on the borrower's behalf if the borrower does not obtain the required policy within the required time period?		
			<i>Notice to Director of FEMA [12 CFR 572.10]</i>		
			1. Does the institution provide the appropriate notice to the carrier of the insurance policy (the Director of FEMA's designee) regarding the identity of the servicer of a designated loan?		
			2. If the institution sells or transfer the servicing of designated loans to another party, does it provide the appropriate notice to the carrier of the insurance policy within 60 days after the effective date of the transfer of the servicer?		